

For Immediate Release

www.wa.gov/esd

Date: January 21, 2003

Contact: Kirsta Glenn, (360) 438-4812
Michael Wilson (360) 902-9317

State Shows Modest Rise in December Unemployment

OLYMPIA – Washington's seasonally adjusted unemployment rate rose one-tenth of a percentage point to 6.8 percent in December, Employment Security Commissioner Sylvia P. Mundy announced today. The nation's seasonally adjusted unemployment rate was unchanged at 6.0 percent. Washington's non-adjusted unemployment rate rose one-tenth of a percentage point to 6.8 percent.

"The December numbers confirm the slow pace of economic recovery in Washington and the nation in 2002," said Mundy. "Washington's jobless rate has remained around 7 percent throughout 2002 and the national rate has been about one percentage point lower."

Seasonally adjusted nonagricultural employment estimates prepared in collaboration with the Office of the Forecast Council revealed a slight increase of 1,000 jobs or 0.04 percent over the month of December. This modest increase indicates that Washington's nonfarm employment remained relatively unchanged over the month on a net basis. Washington's non-adjusted wage and salary employment fell by 13,000 in December, a decline of 0.5 percent. This drop comes after three consecutive months of employment gain. Declining sectors were manufacturing (-2,700), construction (-4,600), and government (-8,100). The drop in manufacturing was concentrated in non-durable goods, with a seasonal drop of 2,400 in preserved fruit and vegetable processing.

Construction also experienced a seasonal decline concentrated in special trade contractors (-2,500). Both state and local government declined over the month with the largest decrease being in non-education related local government (-4,800). Other sectors of the economy rose, with seasonal increase in transportation by air (+600) and retail sales (+3,100), the latter propelled largely by holiday hiring in general merchandise (+1,100). Services saw mixed results, with increases in amusement and recreational services (+1,400) and health services (+700) slightly outweighing declines in hotels (-500), business services (-500), and educational services (-500).

Nonagricultural employment in Washington is still lower than it was at this time last year, with a non-adjusted difference of -13,200. This is by far the smallest year over year decline for 2002. The average year over year decline for 2002 was 50,900. The drop in manufacturing since December 2001 is 21,300. This drop is broadly based in manufacturing with no major sector increasing employment from December 2001. Almost half the decline in manufacturing came from the aircraft and parts industry (-10,500).

Transportation, communications, and utilities was down 5,000 jobs from last December, with a particularly large drop of 3,400 in communications. Retail trade was down 3,300 jobs, indicating a second year of weakness in the sector overall. The services sector saw a large gain of 10,000 jobs, with the majority of those coming in health services (+7,100). The gain in health services was largely accounted for by an increase in employment in private medical clinics. Government was also up 7,800 jobs from December 2001, with the increase concentrated in federal government as well as state and local education.